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MONTANA LEGISLATIVE HISTORY

Chapter 418 19 87

Bill H _____ S 373 Original bill & history ____C

H. Committee on Natural Resources		S. Committee on Natural Resources	
Hearing Date(s) Mar 13	✓C	Hearing Date(s) Feb 20	✓C
Mar 22	✓C	_____	____C
_____	____C	_____	____C
_____	____C	_____	____C
Date Out Mar 22	✓C	Feb 20	✓C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

TRANSMITTED TO HOUSE
3/03 REFERRED TO JUDICIARY
3/19 HEARING
3/27 COMMITTEE REPORT--NOT CONCURRED AS AMENDED
3/28 ADVERSE COMMITTEE REPORT ADOPTED 66 27
3/28 RETURNED TO SENATE NOT CONCURRED AS AMENDED

SB 373 INTRODUCED BY BLAYLOCK, BROWN, D., MARKS, ET AL.
RECLAMATION AND DEVELOPMENT GRANTS PROGRAM ACT
BY REQUEST OF DEPARTMENT OF NATURAL RESOURCES & CONSERVATION

2/18 INTRODUCED
2/18 REFERRED TO NATURAL RESOURCES
2/18 FISCAL NOTE REQUESTED
2/20 HEARING
2/20 STATEMENT OF INTENT ADOPTED
2/20 COMMITTEE REPORT--BILL PASSED
2/23 2ND READING PASSED 48 2
2/25 3RD READING PASSED 49 0

TRANSMITTED TO HOUSE
2/25 FISCAL NOTE RECEIVED
3/03 REFERRED TO NATURAL RESOURCES
3/13 HEARING
3/27 COMMITTEE REPORT--BILL CONCURRED
3/28 2ND READING CONCURRED 76 0
3/30 3RD READING CONCURRED 88 10

RETURNED TO SENATE
4/03 SIGNED BY PRESIDENT
4/04 SIGNED BY SPEAKER

4/04 TRANSMITTED TO GOVERNOR
4/09 SIGNED BY GOVERNOR
CHAPTER NUMBER 418
SECTIONS 1-15, 16(2), 17-21 -- EFFECTIVE DATE: 7/01/87
SECTION 16(1) -- EFFECTIVE DATE: 7/01/89

SB 374 INTRODUCED BY NEUMAN, KOLSTAD
BANKING BOARD TO ISSUE CERTIFICATES WITHOUT HEARING WHEN BANK CLOSED, ASSETS MOVED
BY REQUEST OF SENATE BUSINESS & INDUSTRY COMMITTEE

2/18 INTRODUCED
2/18 REFERRED TO BUSINESS & INDUSTRY
2/20 HEARING
2/20 COMMITTEE REPORT--BILL PASSED
2/21 2ND READING PASSED 48 0
2/23 3RD READING PASSED 49 0

TRANSMITTED TO HOUSE
2/24 REFERRED TO BUSINESS & LABOR
3/17 HEARING
3/17 COMMITTEE REPORT--BILL CONCURRED
3/20 2ND READING CONCURRED 94 3
3/21 3RD READING CONCURRED 94 2

RETURNED TO SENATE
3/25 SIGNED BY PRESIDENT
3/26 SIGNED BY SPEAKER

Senator Hofman wanted to know if the general public would be excluded from the natural areas, and Senator Blaylock answered "no" but the land would be protected against over-use. In reply to Senator Severson, Sen. Blaylock said that the commercially attractive and pristine lands are already gone.

Senator Halligan asked confirmation if one of the purposes of the bill was for the private landowner to be allowed to donate some land to the State, and Mr. Kiesling gave an affirmative reply.

Senator Gage reported he had a problem with the over-all problem of designated lands in the State; such as, historical sites, recreational sites, wilderness areas, Indian reservations, religious ceremonial areas, game preserves, etc. He said if Montana wants to be a giant park to the rest of the world, "we might as well admit it and get some funding for it."

The committee continued to review and discuss the brochure that Ms. Bird had distributed.

Senator Keating asked Ms. Bird how many natural areas have been established in Montana. Her reply is as follows:

3 Natural Areas state-owned
30 Easements owned by private individuals
12-15 Voluntary protection agreement sites

Dennis Hemmer indicated that there is no one in State Lands who would coordinate the natural areas project at present in response to Senator Keating's question.

CLOSING: Senator Blaylock told the committee that if the State's financial picture improves within the next two years, the Appropriations committee will be approached. Sen. Blaylock concluded his statements with the positive note of saying he was glad Montana had passed the environmental protections 10 years ago, and he felt the Natural Areas Act is also a good idea. He urged the committee to pass SB 329.

CONSIDERATION OF SENATE BILL 373: Sen. Blaylock reported that he had carried the same bill two years ago and that SB 373 is an act to establish the Reclamation and Development Grants Program, specifying allocations from the interest income of the Resource Indemnity Trust (RIT) fund. He explained the definitions listed on page 2 and drew the committee's attention to page 4, the reclamation account. He then asked Larry Fasbender to give a detailed explanation of the bill.

PROPONENTS: Larry Fasbender, Director of the Department of Natural Resources, briefly identified categories in which RIT interest money would be used:

30% - Water development program
6% - Department of Health and Hazardous Waste
8% - Renewable Resource Development Program (new)
56% - Reclamation.

The bill makes it very clear where the money is going to go, why it would go there, and the criteria.

There is also a second section that says if a crucial State need should arise, it is possible to use the money for that need. Ultimately, the decision would be made by the Legislature.

The Environmental Contingency Account is still in the legislation, and there will be $175,000 that comes "off the top" each biennium.

The other requirement in SB 373 is that, if the money is diverted for any other purpose, it will be necessary to designate which account will be used and the purpose stipulated.

Brace Hayden, Office of the Governor, said that Governor Schwinden believes SB 373 represents a reasonable and equitable method for apportioning Resource Indemnity Trust Tax interest monies. He also said that SB 373 also provides clear directions to DNRC as to how to solicit and rank mineral-related projects for legislative decision-making. According to Mr. Hayden's testimony, the Governor expressed his thanks to all individuals concerned who were responsible for drafting SB 373. (Exhibit 12)

George Oshenski, EQC, testified that SB 373 was a good bill and a sure source of funding, and he asked the committee to pass SB 373.

OPPONENTS: None.

QUESTIONS (AND/OR DISCUSSION) BY THE COMMITTEE: In response to Senator Tveit's question, Mr. Fasbender stated that actually there will be more money going to RRD but not to designated individual categories, and money will now be available to local governments.

Senator Keating asked in what categories are changes being made. Mr. Fasbender said that the changes are being made in the renewable resources development category, and more money is going into that category than in the past. Examples of

renewable resources are water, timberlands, purchase of bear-proof garbage containers, etc. Mr. Fasbender said the State was getting into projects in some instances that seemed less valuable than others; but because the categories existed, the money was available. Also included in renewable resources are weed control projects and tree plantings.

Senator Keating said he understood the increase of renewable resources, and asked what programs are being reduced. Mr. Fasbender replied that the amount of money going into recreational grants will be decreased a bit. Sen. Walker interjected that percentages are being removed, and the dollar value is being placed in the bill.

CLOSING: Sen. Blaylock elected to say nothing more.

DISPOSITION OF SENATE BILL 373: Senator Gage moved the Statement of Intent, and it was adopted unanimously. Sen. Halligan moved that Senate Bill 373 DO PASS, and motion CARRIED unanimously.

DISPOSITION OF SENATE BILL 329: Sen. Yellowtail moved that SB 329 DO PASS. Sen. Tveit said he had no problem with private individuals donating land, but he said he did have a problem with State lands being involved. Sen. Tveit said he felt it would create more wilderness in the State. Therefore, Sen. Tveit made a substitute motion that SB 329 DO NOT PASS.

Senator Keating said he saw that a problem could possibly arise with litigation when citizens challenge the State when they feel they are not getting the most economic value of state lands. It will also add to the cost of state government.

In the discussion that followed, both Sens. Severson and Yellowtail stated that there was an element of exaggeration getting into the conversation.

A Roll Call Vote was taken on the motion to DO NOT PASS, and motion FAILED with Sen. Stimatz' written vote. Another Roll Call Vote was taken on the original motion DO PASS, with seven voting "yes" including Sen. Stimatz, and five voting "no." Motion CARRIED.

There being no further business before the committee at this time, the meeting adjourned at 2:50 p.m.

Thomas F. Keating
Senator Thomas F. Keating, Chairman

nm

ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987 Date 2/20/87

NAME	PRESENT	ABSENT	EXCUSED
Sen. Tom Keating, Chairman	X		
Sen. Cecil Weeding, Vice Chairman	X		
Sen. John Anderson	X		
Sen. Mike Halligan	X		
Sen. Delwyn Gage	X		
Sen. Lawrence Stimatz			
Sen. Larry Tveit	X		
Sen. "J.D." Lynch	X		
Sen. Sam Hofman	X		
Sen. William Yellowtail	X		
Sen. Elmer Severson	X		
Sen. Mike Walker	X		

Each day attach to minutes.

DATE Feb 20, 1987

COMMITTEE ON Natural Resources

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Check One: Oppose
Ron Hoag	U.S. Forest Service	329	—	—
E.T. Rapp'el	MBMG	329	✓	
Wyman Schmidt	Society American Foresters	329	✓	
Dean Culwell	WESTECH	329	✓	
Esther Sterberg	MWF	329	✓	
Joan Bird	The Nature Conservancy	329	✓	
Janelle Fallan	Mt. Petroleum	329		X
"	"	347		X
Dana Field	MT Audubon Legis. Fund	329	✓	
Norman H. Nelson	Northeast Montana Joint and Mineral Self owners - Westby Mt	347	✓	
Jerry Jack	Mt. Stockgrowers	329		*
Judy Meine	WETA	329		✓
Carol Mosher	Mont. Cattle Women	329		✓
George Ochenski	MT. ENV. INF. CNTR	373	✓	
Bruce Haydon	Office of Gov.	373	✓	
Bob Kiesling	The Nature Conservancy	329	✓	

STANDING COMMITTEE REPORT

February 20, 19 87

MR. PRESIDENT

We, your committee on NATURAL RESOURCES

having had under consideration SENATE BILL No. 373

first reading copy (white color)

RECLAMATION AND DEVELOPMENT GRANTS PROGRAM ACT

Respectfully report as follows: That SENATE BILL No. 373

DO PASS

~~DO NOT PASS~~

SENATOR JOHN F. KEATING, Chairman.

FEBRUARY 20, 1987

MR. PRESIDENT,

WE, YOUR COMMITTEE ON NATURAL RESOURCES HAVING HAD UNDER CONSIDERATION SENATE BILL NO. 373, ATTACH THE FOLLOWING STATEMENT OF INTENT:

LC 901

STATEMENT OF INTENT

SENATE BILL 373

A statement of intent is required for this bill because it delegates rulemaking authority in section 9 to the board of natural resources and conservation for the establishment and administration of the reclamation and development grants program.

The intent is to provide the board with the authority to adopt rules necessary to administer the reclamation and development grants program. The authority as described in section 9 includes establishing rules:

(1) prescribing the form and content of applications for grants;

(2) describing the terms and conditions of making grants;

(3) prescribing a monitoring program to evaluate the effectiveness of funded projects and activities; and

(4) developing any procedures necessary to accomplish the objectives of the reclamation and development grants program.

7047b/c:/eleanor/ wp:ee

STATEMENT OF INTENT

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(2) describing the terms and conditions of making grants;

(3) prescribing a monitoring program to evaluate the effectiveness of funded projects and activities; and

(4) developing any procedures necessary to accomplish the objectives of the reclamation and development grants program.

Statement of Intent — Do Pass

In — Out

Keating X

Weeding X

Tyndal X

Severson X

Hofman X

Halligan X

Swift X

Anderson

Walker X

Eleanor X

Yellowtail X

7047b\c:\eleanor\wp:ee

MINUTES OF THE MEETING
NATURAL RESOURCES COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

March 13, 1987

The meeting of the Natural Resources Committee was called to order by Chairman Tom Jones on March 13, 1987, at 1:00 p.m. in Room 312 of the State Capitol.

ROLL CALL: All committee members were present with the exception of Reps. Harp and Miles who were excused.

SENATE BILL NO. 373: Senator Chet Blaylock, District #43, sponsor, stated SB 373 was in the Resource Indemnity Trust Fund bill and set up ways in which the Resource Indemnity Trust Fund monies would be sued and thus form programs. With that, he turned the meeting over to Larry Fasbender, and reserved the right to close.

PROPONENTS: Larry Fasbender, Director, Department of Natural Resources and Conservation, stated the bill, as they may recall last session, generated a considerable amount of disagreement as to how the money would be spent and how programs would be set up. Before the bill was introduced this time, a number of people sat down and worked on the piece of legislation and came up with an equitable distribution of funds. Thus, giving them a compromise and the best method in which to proceed with the legislation. Finally, statutorily, they created programs worked on for some time, and actually funding projects from the program, without any statutory language allowing them to do fund programs or directed them on how it should be done. SB 373 sets up another program that is split, which includes the reclamation development grant program set up in the first part of the legislation. The reclamation development grant program would receive 56% of the funds coming from the RIT interest monies.

The distribution for the rest of those funds were as follows: $175,000 would go into the Environmental Contingency Account, under the call of the Governor, which would grow to $750,000 an at that point, the money would not continue to go in. Additionally, 30% of the money of the RIT interest would go to the water development projects a DNRC which is currently the situation. Another 6% would go to the Department of Health and Environmental Sciences for hazardous waste. Mr. Fasbender stated there is legislation pending that would apply the backup bonds to be sold for super-fund projects, and if that passed, the working language in the bill would accommodate that. Renewable Resource Development

Program and projects are also being allocated 8% of the money. When adding all of these percentages, it resulted in 100% of the monies in RIT. The had gained some of the eligibility criteria as to what would be eligible under those projects, and in so doing, had broadened the ability to use those funds on certain projects. There was some disagreement as to whether or not they would be eligible for it. The projects with water concept identification that expanded it to include some projects that were not considered, definitely strictly reclamations. One of the areas considered was if legislation found there was a critical need for something over and above reclamation and development, they could make that finding recommendation to the department and could allocate those funds to other uses if they so chose. Mr. Fasbender pointed out that one thing it would require, and made very clear, was if monies were taken from any of those projects and diverted for use by the administration or by the legislature for operations, which generally might be considered operations of state government, it had to specifically show where that money came from and what it was going to be used for.

REP. DAVE BROWN, District #72, stated he was in strong support of SB 373. He commended the Governor's office and DNRC for putting substantial time and effort into it in trying to resolve the problem. He stated it was still not what he would like to see; however, it was a long way from where the Governor's office was two years ago. It was a very reasonable compromise, and most likely, the best they could possibly get, and in many ways, far more than they could have hoped for as a legislature and administration. The bill had set up the four categories that Mr. Fasbender described, either by legislation or administration for taking any of those funds and putting them anywhere else. It recognized the water development funds that the legislature had already set up in the past out of the program, it added a new RRD effort, and set it up in this manner. However, retained a base of at least 50% of the funds to be used for mineral reclamation programs, but did not mean it was not available to use for other programs. This gave them all an opportunity to see how the money was being spent and how it was suppose to be spent. With this, he urged the committee's approval of SB 373.

BRACE HAYDEN, from the Office of the Governor submitted testimony (Exhibit 1). He stated SB 373 represented a reasonable and equitable method for apportioning Resource Indemnity Trust Tax interest monies. It provided clear directions to the Department of Natural Resources as to how to solicit and rank reclamation and other mineral-related projects for legislative decision making. Last session's fight over the legacy program resulted in there being no

program put in place as to how unappropriated RIT monies should be spent. SB 373 came about because both sides in the 1985 debate recognized the issue had to be resolved. The bill was a result of considerable work by Senator Blaylock, Rep. Brown, the Environmental Quality Council, the Department of Natural Resources and many others. SB 373 clearly reflects a spirit of compromise, and he urged the committee's favorable support.

GEORGE OCHENSKI, representing the Montana Environmental Information Center stated, this is what you call a compromise. He pointed out, there are technical amendments which directly relate to coordinating instructions, for HB 718, that had been passed out of the committee and out of the House, which reallocated funds from the Environmental Contingency account to the Environmental Quality Protection Fund. He stated he had talked extensively with Hugh Zackheim to draft the technical coordinating instructions. He urged the committee to look favorably on SB 373, and stated he would appreciate the committee directing Mr. Zackheim to draft the technical amendments.

NO OPPONENTS

REP. COBB asked Rep. Brown what were the differences between Section 5 and Section 15 regarding grants to state and local government. Rep. Brown directed this to Larry Fasbender. Larry stated Section 5 dealt with the reclamation grants program and Section 15 dealt with the renewable resource development program. The are two different programs that are funded under the legislation.

REP. COBB stated Section 15 intended that the legislature could use these monies for other projects if a higher priority was decided upon; however, Section 5 states the legislature can look over projects, but could not move around or pick up new projects, if they so decide, and wondered just what the intent of the legislature was regarding the two conflicting sections.

MR. FASBENDER stated it was always an option of the legislature; however, DNRC can make recommendations, but the legislature still had to dispose of those any way they chose fit. Other projects that came in, which they felt were of a higher priority, could then be dealt with and decided upon.

REP. COBB had concerns with the language being clear, because it was different in both sections about legislative review; whereby one section said they can do what they want to do, and the other said they cannot, and he wondered how it could be clarified.

MR. FASBENDER clarified by stating there was no intent to restrict the legislative review at all.

REP. HARPER asked Mr. Fasbender to explain the effective date setup.

MR. FASBENDER stated Sections 1 through 15 were effective July 1, 1987. He was unsure of the repealers and asked Hugh Zackheim to explain.

HUGH ZACKHEIM, Researcher, stated the staggered repealer was in place because the three sections that were being repealed under Section 16, Subsection 1, were the current language that set up the authority for the existing RIT allocations under HB 6, and was currently called the Environmental Contingency Grants Program. In the earlier sections, the revised allocations in the bill for the reclamation and development program begin during the next biennium. They felt it made sense to keep the current statutory authority for the grants program in place for this biennium, at which time it would drop off next biennium when the new programs come into place.

Hearing closed on SB 373.

EXECUTIVE SESSION

SENATE BILL NO. 373: Rep. Cobb moved SB BE CONCURRED IN. There was a question regarding the technical amendments. Hugh Zackheim explained to the committee the technical amendments were needed in order to use as a coordinating tool. Question being called, on the amendment, the motion CARRIED unanimously. See Standing Committee Report. Rep. Cobb moved SB 373 BE CONCURRED IN AS AMENDED. Question being called, the motion CARRIED unanimously.

ADJOURNMENT: There being no further business to come before the committee, the meeting was adjourned at 1:28 p.m.

TOM JONES, Chairman

DAILY ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date March 13, 1987

NAME	PRESENT	ABSENT	EXCUSED
TOM JONES, CHAIRMAN	X		
CLYDE SMITH, VICE CHAIRMAN	X		
KELLY ADDY	X		
TOM ASAY	X		
JOHN COBB	X		
BEN COHEN	X		
ED GRADY	X		
JOHN HARP		X	
HAL HARPER	X		
MIKE KADAS	X		
AL MEYERS	X		
JOAN MILES		X	
MARY LOU PETERSON	X		
BOB RANEY	X		
RANDE [illegible]	X		
ANGELA [illegible]	X		
BRUCE [illegible]	X		
BILL STRIZICH	X		
STAFF: EQC HUGH ZACKHEIM			

EXHIBIT (1)
DATE 3-15-85
SB 373

COMMENTS ON SB 373

BY

BRACE HAYDEN
OFFICE OF THE GOVERNOR

Mr. Chairman, Members of the Committee, my name is Brace Hayden from the Office of the Governor.

SB 373 represents a reasonable and equitable method for apportioning Resource Indemnity Trust Tax interest monies. It provides clear directions to the Department of Natural Resources and Conservation as to how to solicit and rank reclamation and other mineral-related projects for legislative decision making.

Last session's fight over the legacy program resulted in there being no program put in place as to how unappropriated RITT monies should be spent. SB 373 came about because both sides in the 1985 debate recognized this issue had to be resolved.

The bill is a result of considerable work by Senator Blaylock, Representative Brown, the Environmental Quality Council, the Department of Natural Resources and Conservation and many others. SB 373 clearly reflects a spirit of compromise.

I would be happy to answer any of the Committee's questions.

VISITORS' REGISTER

_____ COMMITTEE

BILL NO. _____ DATE _____

SPONSOR Y

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
GEORGE ECHENSKI	MT. ENV INF CNTR	X WITH AMEND	
DAVE BROWN	Rep. HD-72	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FOR

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING
NATURAL RESOURCES COMMITTEE
50TH LEGISLATURE

March 27, 1987

The meeting of the Natural Resources Committee was called to order by Chairman Tom Jones at 12:40 p.m. on Friday, March 27, 1987 in room 312B in the state capitol.

ROLL CALL: All members were present, except Representative Smith who was excused and Representative Asay who was absent. Also present was Hugh Zackheim of the Environmental Quality Council, and Deb Thompson, secretary.

EXECUTIVE ACTION

SB184: Representative Cobb moved to concur the amendments to SB184 (Exhibit 1). He explained that this exempts the oil and gas from MEPA until the environmental statement is done, but no later than June 30, 1989. He said that the governor would have direct management responsibility which would allow all state agencies to get involved. Representative Cohen commented that these amendments allowed a two year "window of opportunity".

Representative Meyers pointed out that people were protesting because of fears that something might happen. He said that the fears were not from drilling one well but a series of wells.

Representative Kadas referred to (iii) of the amendments. He suggested it was important to spell out cumulative impacts not just individual proposals.

The question was called. The motion to concur on the amendments to SB184 PASSED unanimously. The motion to concur SB184 PASSED with Representative Raney voting NO.

HJR49: Representative Miles explained the resolution that required the Environmental Quality Council to conduct an interim study on forest management.

Jim Jenson, Bill Ballard, Stan Bradshaw, and Dana Field stood in support of HJR49.

Representative Miles moved DO PASS HJR49. The motion PASSED unanimously.

SB373: Representative Harper moved that the amendments that the committee put in the bill be stricken from the bill.

The motion PASSED unanimously. Representative Harper moved to concur SB373. The motion PASSED unanimously.

ADJOURNMENT: The meeting was adjourned at 1:10 p.m.

REP. TOM JONES, Chairman

dt/3-27

DAILY ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-27-87

NAME	PRESENT	ABSENT	EXCUSED
TOM JONES, CHAIRMAN	✓		
CLYDE SMITH, VICE CHAIRMAN			✓
KELLY ADDY	✓		
TOM ASAY		✓	
JOHN COBB	✓		
BEN COHEN	✓		
ED GRADY	✓		
JOHN HARP	✓		
HAL HARPER	✓		
MIKE KADAS	✓		
AL MEYERS	✓		
JOAN MILES	✓		
MARY LOU PETERSON	✓		
BOB RANEY	✓		
RANDE ROTH	✓		
ANGELA [illegible]	✓		
BRUCE SIMON	✓		
BILL STRIZICH	✓		
STAFF: EQC HUGH ZACKHEIM	✓		

STANDING COMMITTEE REPORT

MARCH 2 19 93

Mr. Speaker: We, the committee on NATURAL RESOURCES

report SB 333

☐ do pass ☒ be concurred in ☐ as amended
☐ do not pass ☐ be not concurred in ☐ statement of intent attached

TOM JONES Chairman

THIRD BLUE Rep. Dave Brown will carry